7) Amend the Zoning Bylaw by modifying the affordability standards for Senior Residence Developments (Section 9B) to provide for a mix of low- and moderate-income and below-market senior residence units.

   a) Modestly reduce the existing density bonus and require at least 10% of the units to be affordable to low- and moderate-income elders.

   b) Restore the existing density bonus for developments that provide an additional 10% affordable units for seniors with incomes between 81-110% of area median family income.

8) Amend the Zoning Bylaw to provide for modest frontage waivers by special permit in the Village Residential, R-AA and Village Districts, subject to two requirements: (a) an infill lot created with a frontage waiver must meet the minimum lot area for the district, and (b) its use is limited to an affordable single-family or two-family dwelling.

COMPREHENSIVE PERMITS

1) The Board of Selectmen and Planning Board should <u>jointly</u> adopt a comprehensive permit policy, as follows:

   a) Invite developers to use the Local Initiative Program ((LIP) comprehensive permit process instead of applying directly to MassHousing or MassDevelopment for a project eligibility letter.

   b) Be open with developers about higher-density housing areas that are most consistent with Acton's established land use policies.

      (1) Identify and map areas that are most appropriate for higher-density housing, such as the Village Residential, R-AA and R-2 Zoning Districts, and the Village Districts, where relatively small minimum lot sizes, two-family and multi-family uses are already allowed by right or by special permit, and areas close to transportation service.

      (2) Identify and map areas that are least appropriate for higher-density housing, such as land in the Groundwater Protection Overlay District and the properties identified in the Master Plan as priority open space protection areas.

      (3) Leave room for options to consider small homeownership developments (2-10 units) in other zoning districts.

   c) Describe the zoning waivers that Acton is willing to consider, such as a realistic range of additional units per acre or a higher floor area ratio to accommodate affordable homeownership units.

      (1) When the minimum lot size allowed by zoning is 10,000-15,000 square feet (ft^2), consider a maximum standard of 8-12 dwelling units/acre, i.e., embrace the state standard and recognize that the Zoning Bylaw already authorizes an exemption for a substantially higher density in the R-AA District (Section 5.3.2.2).

(2) When the minimum lot size allowed by zoning is 20,000 ft^2, consider a maximum standard of 6 dwelling units/acre.

(3) When density is controlled by a floor area ratio instead of units per acre or units per structure, consider increasing the maximum FAR to a range of .85 to 90.

(4) For small projects in other areas, consider a density that does not exceed twice the density permitted by zoning unless the applicant agrees to beneficial trade-offs, such as the protection of roadside open space or a historic building located on the same parcel.

d) Identify trade-offs the town is willing to consider to encourage comprehensive permits in preferred locations, such as higher density in exchange for design elements compatible with surrounding buildings or green building certification.

e) Set reasonable performance standards.

f) Identify housing needs that Acton wants comprehensive permit developers to meet.

(1) Aside from the fact that rental developments will accelerate Acton's progress toward 10%, Acton needs affordable rental housing. The most significant rental housing need is for families, but Acton is very concerned about the fiscal impact of new growth. At the same time, state government appears to be taking the shortage of family housing more seriously than it has for the past several years. For example, one of the competitiveness criteria for financing from the Priority Development Fund is the inclusion of units with three or more bedrooms.

(2) Rather than argue against any family units, ask developers to limit the number of rental units with three or more bedrooms to 10% of all units in a Chapter 40B rental development.

(3) Ask developers to include some below-market units in any comprehensive permit development designed for over-55 households. Ten percent in addition to the minimum 25% low- and moderate-income requirement is reasonable for most projects.

2) The Acton Community Housing Corporation (ACHC) should revise its comprehensive permit review guidelines, where applicable, to conform to the town's policy statement.

3) Create a streamlined local review process for small comprehensive permit developments, e.g., 10 or fewer units.

a) Prepare a "Small Project Application Package" and work with the ZBA to create an expedited review and decision-making process for small-scale projects.

b) If Acton prefers small, scattered-site projects, it needs to make the permitting process faster and easier for them. Having a standardized application package will provide technical assistance to applicants who may not be seasoned developers, and the expedited process will result in a more desirable and useful comprehensive permit process.

4) Designate an individual officer of the town to negotiate with comprehensive permit applicants during the permit process or, subject to Town Counsel's approval, retain an outside special counsel to assist with negotiations.

5) Increase the size of the Board of Appeals from three to five members. The town needs to encourage a variety of viewpoints and provide room for disagreement by having more people involved in the comprehensive permit review and decision-making process.

6) Collect and organize the data necessary to estimate operating budget and infrastructure impacts on municipal and school services so the town has the most accurate information possible for negotiating with comprehensive permit developers. The same information is also required for Acton to submit a Housing Production Plan under DHCD's Chapter 40B regulations.

SUPPORTING ACTIONS

1) Review the roles and responsibilities of the Planning Board, Board of Appeals, Board of Selectmen, Acton Community Housing Corporation and professional staff with respect to affordable housing review, permitting, advocacy and locally sponsored development.

2) Consider seeking special legislation to offer significant tax abatements or exemptions to landlords who rent market (unrestricted) units to low- or moderate-income tenants at monthly rents they can afford.

3) Develop criteria for identifying and selecting small town-owned and tax title parcels that may be suitable candidates for disposition and development as affordable housing.

4) Just as Conservation Commissions and local land trusts work privately with landowners to protect open space, Acton needs to be pro-active with owners of existing homes to create a base of scattered-site affordable housing units. Toward this end, the Acton Community Housing Corporation should consider the following actions:

   a) Develop a priority list of single-family, multi-family and condominium properties for acquisition/rehabilitation in exchange for permanently affordable housing units.

   b) Approach property owners about the possibility of acquiring a right of first refusal to purchase their home when they decide to sell.

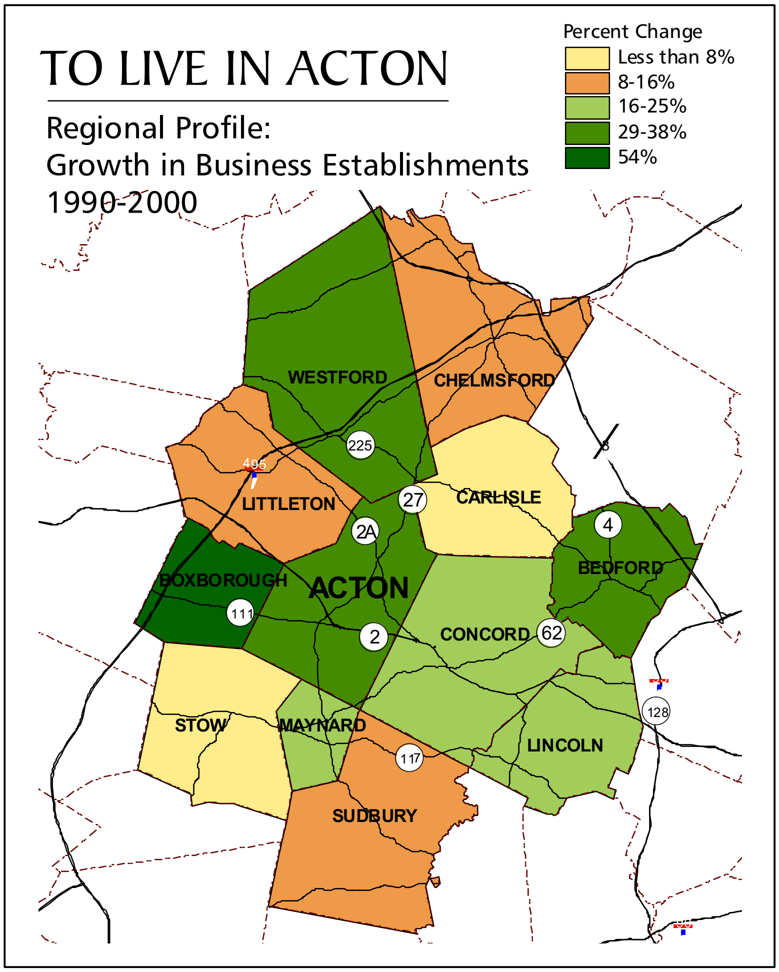
   c) Request an allocation of CPA or Inclusionary Housing revenue for a small fund to pay for refusal rights or option agreements between annual town meetings.

5) Using CPA and/or Inclusionary Housing revenue, or a separate cash contribution from developers, Acton town should establish a special set-aside fund to purchase Chapter 40B homeownership units upon resale if a qualifying low- or moderate-income homebuyer cannot be found within the period specified in the deed restriction.

ECONOMIC DEVELOPMENT

The Local Economy

EMPLOYMENT & WAGES



When Acton officials worked with the University of Massachusetts-Amherst on an Economic Development Plan in 1998, a comprehensive business inventory was created by assembling, comparing and consolidating business lists from several sources. At the time, the town determined that 1,367 businesses were operating in Acton, including self-employed individuals and residents with home-based businesses. The 1998 business inventory appears to be very useful for the communication and outreach functions of a local economic development program. However, it also appears that the businesses have not been assigned to industrial classifications and as a result, the inventory has limitations for an economic analysis.[33]

Even if the inventory contained industrial classification, employment, sales and property data for all of the businesses, it would be difficult to use in a comparison study because not all communities collect and interpret economic data the same way. Comparison studies are important because they help to reveal strengths and weaknesses in a community's economic structure and employment base. To achieve consistency, comparison studies must rely on systematically collected data from non-local sources, mainly federal and state agencies. The disadvantage is that federal and state data sets generally omit certain types of businesses, notably self-employed people with no payroll employees.

[33] University of Massachusetts, Center for Economic Development, Acton Economic Development Plan, Section III, Appendix A (1998).

According to state data, Acton has 813 public and private establishments with a combined employment base of 9,775 jobs. The economic census that collects and reports quarterly employment and wage statistics is based on information filed by businesses that are subject to the Commonwealth's unemployment insurance laws, so these 813 establishments are not fully representative of Acton's economic base.[34] Regardless, they are the town's primary supplier of wage and salary employment and most likely its primary source of commercial and industrial tax revenue. Between 2001-2002, the number of businesses operating in Acton increased by 2.8%, yet total employment declined by –6.1% and average wages, by -10.2%.

Table 2.5: Employment and Wages in Acton (2002)

Industry	Establishments	Employment	Average Weekly Wage
Total, All Industries	813	9,775	$893
Agriculture, Forestry	5	17	$453
Construction	59	429	$1,113
Manufacturing	42	1,503	$1,204
Durable Goods	30	1,026	$1,228
Non-Durable Goods	12	477	$1,150
Wholesale Trade	59	542	$1,549
Retail Trade	116	1,761	$554
Transportation & Warehousing	10	104	$831
Information	32	352	$1,635
Finance & Insurance	23	133	$708
Real Estate, Rental & Leasing	20	77	$493
Professional-Technical Services	174	1,127	$1,580
Admin. Support & Waste Management	39	290	$623
Educational Services	17	1,204	$558
Health Services	54	747	$724
Arts, Entertainment, Recreation	17	152	$222
Accommodations & Food Services	42	808	$300
Other Services	89	258	$487

Source: DET, ES-202 (2004).

Compared to the Boston Labor Market Area (LMA) or the state as a whole, Acton's employment base depends more on trade, manufacturing and educational services,[35] while industries such as transportation, finance and insurance, real estate, health care and social services employ relatively few people. Table 2.6 provides location quotients for employment in Acton, i.e., ratios that compare

[34] Massachusetts Division of Employment and Training (DET), "ES-202," Economic Data Programs <http://www.detma.org>. The ES-202 is an establishment-based economic data series that draws from unemployment compensation insurance reports filed by covered businesses. It excludes self-employed individuals, domestic workers and some farm workers, and the clergy. Despite these limitations, the ES-202 is commonly used in economic base studies in part because the data are collected systematically and in part because the ES-202 reports data for a full universe, not a statistical sample. Using Census 2000 "Journey to Work" data as a guide, the 9,775 jobs reported in the ES-202 capture about 85% of all people who actually work in Acton each day.

[35] "Educational Service" includes employment in private educational establishments and public schools.

the percentage of local employment by industry to LMA and state percentages. A ratio of .90-1.10 means that an industry's share of local employment is similar to its share of comparison-area employment. A ratio of >1.10 represents an industry with a disproportionately large share of local employment, and a ratio of <.90 means a disproportionately small share. The greater the deviation from 1.0, the more significant the difference is between local and comparison-area employment.

Table 2.6: Location Quotients and Wage Competitiveness[36]

	Acton Location Quotient		Weekly Wages as % Wages in Boston LMA & State		
Industry	Boston LMA	State	Acton	Boston LMA	State
Agriculture, Forestry	1.24	0.85	$453	67.2%	70.2%
Mining	0.00	0.00	$0	0.0%	0.0%
Construction	0.96	0.92	$1,113	102.1%	112.5%
Manufacturing	1.78	1.42	$1,204	101.0%	113.4%
Durable Goods	1.75	1.47	$1,228	94.9%	105.2%
Non-Durable Goods	1.86	1.32	$1,150	119.8%	133.7%
Utilities	0.00	0.00	$0	0.0%	0.0%
Wholesale Trade	1.30	1.31	$1,549	122.8%	131.8%
Retail Trade	1.77	1.61	$554	108.4%	114.5%
Transportation & Warehousing	0.31	0.32	$831	98.7%	106.3%
Information	0.95	1.09	$1,635	125.5%	132.7%
Finance & Insurance	0.19	0.24	$708	38.6%	43.2%
Real Estate, Rental & Leasing	0.50	0.57	$493	50.9%	57.7%
Professional-Tech. Services	1.26	1.60	$1,580	107.6%	112.8%
Management of Companies	0.00	0.00	$0	0.0%	0.0%
Admin. Support & Waste Management	0.56	0.60	$623	98.6%	105.1%
Educational Services	1.34	1.31	$558	69.7%	71.5%
Health Services	0.57	0.56	$724	93.1%	99.9%
Arts, Entertainment, Recreation	1.05	1.01	$222	34.3%	41.7%
Hospitality & Food Services	1.16	1.10	$300	87.5%	95.8%
Other Services	0.77	0.73	$487	91.4%	100.8%
Public Administration[37]	0.00	0.00	$0	0.0%	0.0%

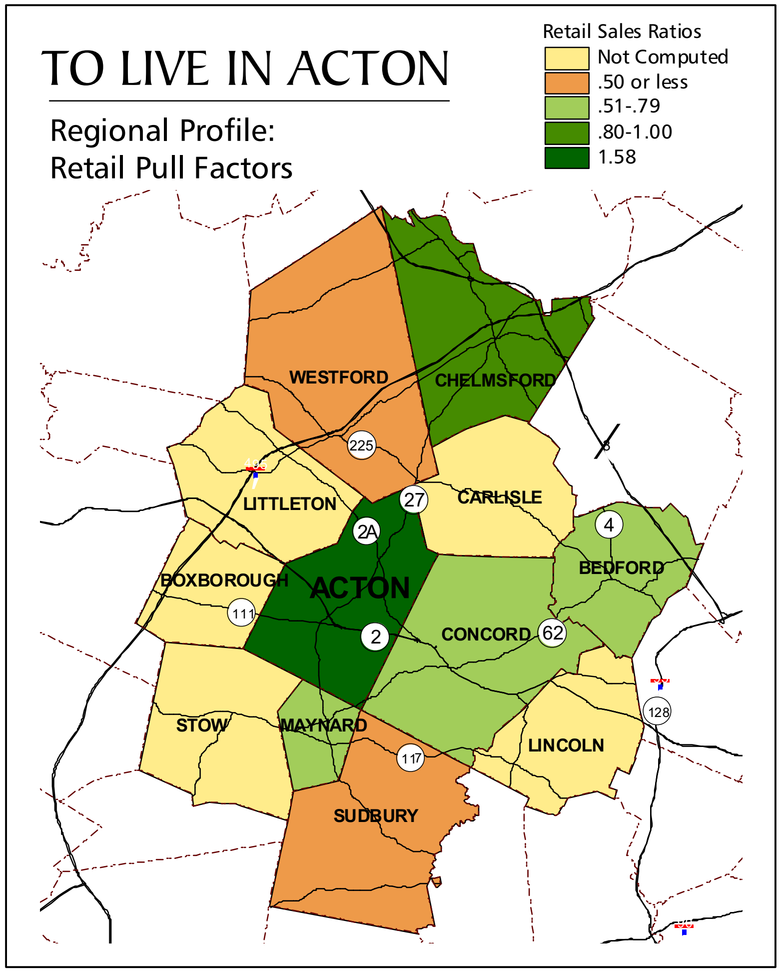
Source: DET, ES-202. Statistics by author.

Acton's employers tend to be fairly small establishments, but many of them pay higher wages than their counterparts in the Boston LMA or across the Commonwealth. Industries such as information services, wholesale trade and non-durable goods manufacturing pay average weekly wages in Acton that are 115-125% of Boston LMA wages. The same cannot be said for agricultural, arts and recreation, real estate, finance and insurance jobs, for local wages in these sectors are only 30-50% of

[36] Note to Table 2.6: industries with no employment in Acton but with employment in other parts of the state are reported in Table 2.6 for comparison purposes only.

[37] State ES-202 reports generally assign local government workers to an industrial classification that reflects the activities they perform. As a result, "Public Administration" omits municipal and school employees in the ES-202 for most towns across the state. Instead, the employees are included in industrial classifications such as Education Services, Information, Professional-Technical Services, and so forth.

wages in the same industries throughout the Boston LMA. Educational service wages are also lower in Acton: about 70% of average wages in the regional labor market.



Acton's very high retail location quotient reflects the mix and overall strength of its retail establishments. Acton functions more as a regional shopping destination than any of the surrounding communities. In fact, so many of its stores serve as magnets for out-of-town shoppers that Acton has a very high retail "pull factor," a ratio that expresses the extent to which a community's retailers export goods and services to non-local markets.

A pull-factor ratio of 1.0 signifies a town in which aggregate retail sales are sufficient to meet local needs, adjusted for per capita income. A lower ratio indicates sales leakage to stores in other communities, and a higher ratio indicates sales that exceed local purchasing. Acton's retail pull factor of 1.58 is the region's highest, and its retail sales per capita of $21,648 is very close to that of communities with mid-size shopping malls, such as Saugus or Danvers.[38] Between 1997-2002, retail sales per capita increased by about 6% in Acton.[39]

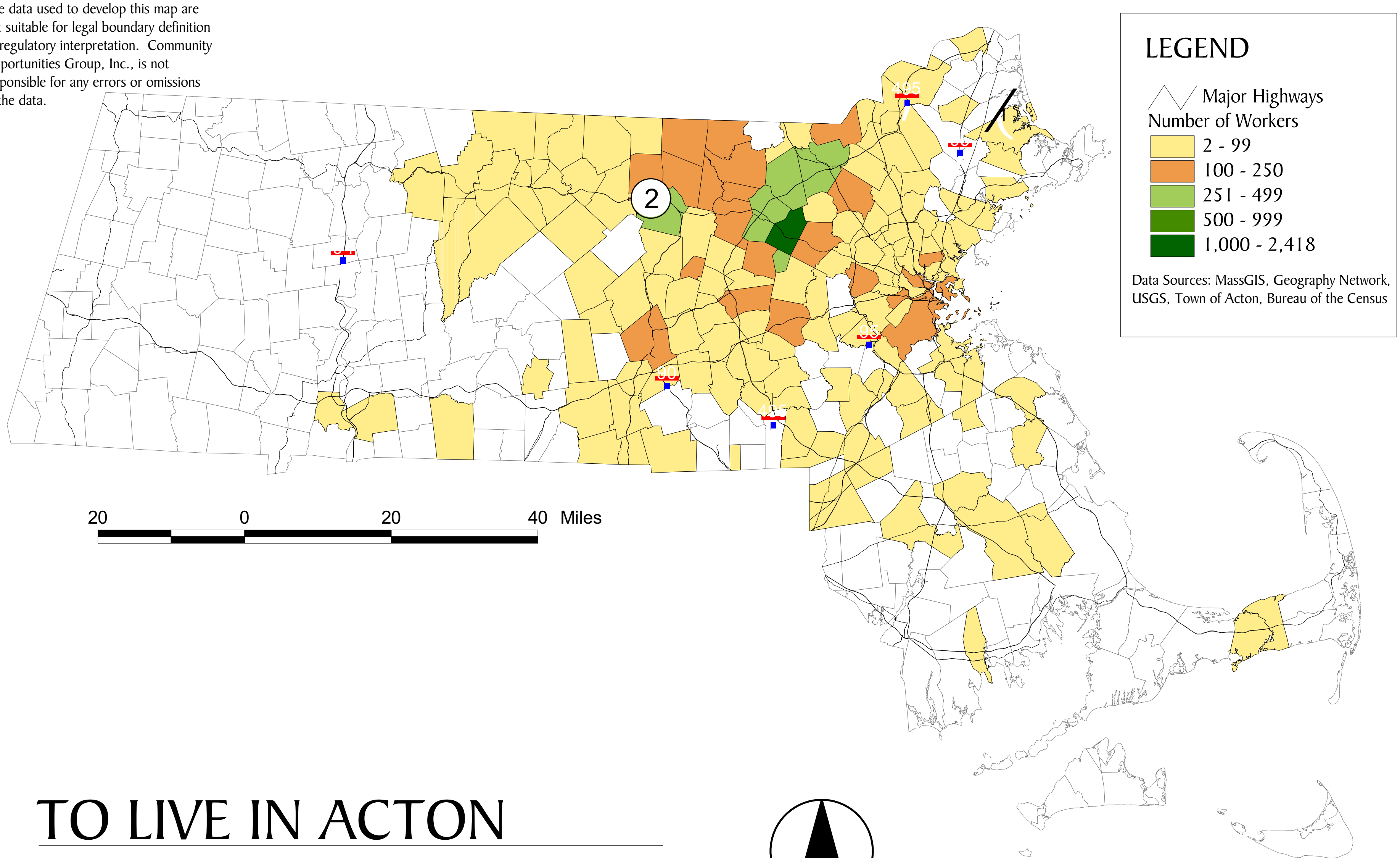
Acton has the third largest employment base in the 12-town comparison area and its business establishments are an important supplier of jobs. About 25% of all people who work in Acton each day commute from nearby towns along Route 2, Route 27, Route 111 and I-495, but Acton employers draw their workforce from a much larger area (Map E-1). Approximately 5% of the town's workers are out-of-state residents.

---

[38] Bureau of the Census, Economic Census 1997: Geography Quick Reports; Barrett, Development Review: Tewksbury Mills Regional Mall, March 2004. Note: the Economic Census does not report retail sales for Littleton, Stow, Boxborough, Carlisle or Lincoln, or any community in Massachusetts with a 1996 estimated population of less than 10,000.

[39] Retail sales per capita growth is an estimate based on Acton's increase in retail wages through calendar year 2002, multiplied by labor costs in the retail industry and divided by the Census Bureau's 2002 population estimate for Acton. See U.S. Department of Commerce, "1997 Census of Retail Trade, Geographic Area Series."

This map is for planning purposes only. The data used to develop this map are not suitable for legal boundary definition or regulatory interpretation. Community Opportunities Group, Inc., is not responsible for any errors or omissions in the data.



TO LIVE IN ACTON

ACTON COMMUNITY DEVELOPMENT PLAN

Community Opportunities Group, Inc.
Boston, Massachusetts

MAP E-1

JOURNEY TO WORK: WHERE ACTON WORKERS LIVE

LABOR FORCE & UNEMPLOYMENT

The 11,000 people in Acton's labor force enjoy a number of advantages. First, most are well educated and they hold high-paying jobs. Second, the town's location puts residents within easy reach of the most competitive employment centers in Eastern Massachusetts. Third, because of their education, work experience and access to transportation facilities, Acton residents have job choices that are unavailable to residents of most towns in the Commonwealth. As a result, Acton's unemployment rate is usually lower than that of the county or the state as a whole. In recent years, the highest annual unemployment rate in Acton (5.1%) occurred in 1993, when the economy began to recover from the recession of the early 1990s. In 2002, Acton's unemployment rate rose to 4.9% after several years of averaging 2% or less, but by the end of 2003 only 3% of the town's labor force remained jobless compared to 5.4% statewide.[40]

Table 2.7 shows that Acton has a relatively large percentage of residents with local jobs: about 22% of the civilian employed labor force. Of those who work locally, more than 25% have an office or business at home. While Acton's percentage of home-based workers is much larger than the state's, it is roughly at the mid-point for the immediate area. Very few Acton residents walk to work, in fact the vast majority drive alone each day despite the presence of a commuter rail station in their town. Acton's percentage of auto-dependent commuters is largely a surrogate for its small labor force percentage (15%) of persons working in Boston or Cambridge (Map E-2). Still, less than half of all residents who commute to Boston or Cambridge actually use public transportation service.[41]

Table 2.7: Labor Force by Local Employment & Means of Commute[42]

	Employed	Locally Employed		Means of Commute % Employed		
Town	Labor Force 16+ Years	% Employed Labor Force	% Work at Home	Drive Alone	Shared Trans.	Walk/Bike
ACTON	10,942	22.1%	25.5%	80.8%	12.0%	1.4%
Bedford	6,383	26.5%	18.5%	84.6%	8.0%	1.6%
Boxborough	2,710	13.0%	45.2%	84.6%	8.4%	1.1%
Carlisle	2,346	20.6%	67.6%	77.1%	7.1%	1.7%
Chelmsford	17,929	21.2%	14.1%	87.8%	8.3%	0.7%
Concord	7,374	33.2%	27.4%	76.8%	10.4%	3.2%
Lincoln	3,983	13.7%	52.3%	79.1%	9.2%	4.0%
Littleton	4,240	18.9%	27.5%	85.5%	7.5%	1.1%
Maynard	5,837	17.2%	19.2%	82.6%	11.2%	2.5%
Stow	3,112	17.5%	33.0%	84.2%	8.1%	1.9%
Sudbury	7,939	19.0%	31.1%	84.8%	6.9%	1.7%
Westford	10,745	21.5%	22.4%	88.0%	6.5%	0.6%

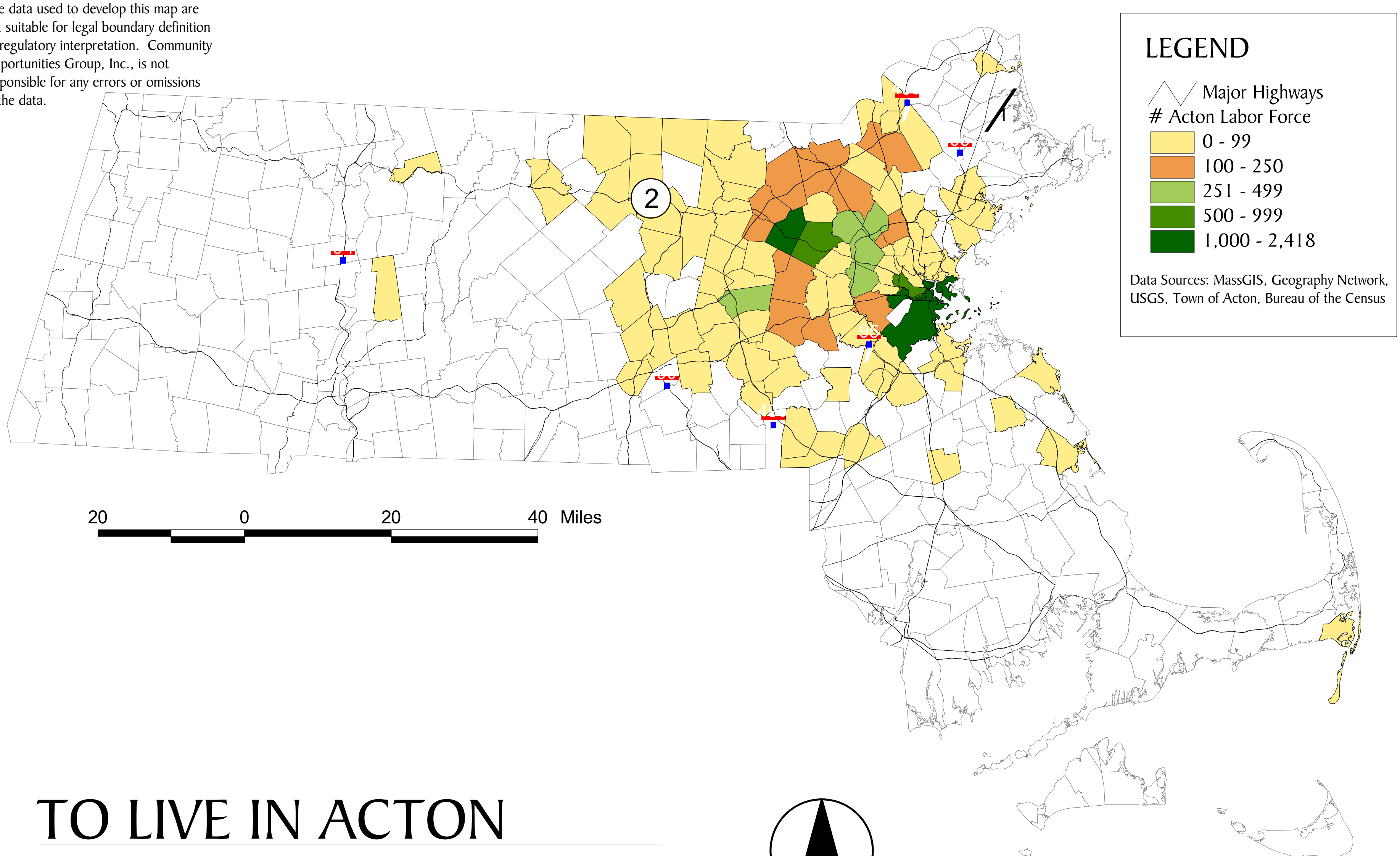
Source: Census 2000, Summary File 3 Tables P-27, P-29, P-30. Statistics by author.

[40] DET, "Local Area Unemployment Series" (LAUS), Economic Data Programs.

[41] Census 2000, Summary File 3 Table P-30, and "MCD/County-to-MCD/County Worker Flow Files."

[42] Note to Table 2.7: "Shared transportation" includes carpooling and public transportation.

This map is for planning purposes only. The data used to develop this map are not suitable for legal boundary definition or regulatory interpretation. Community Opportunities Group, Inc., is not responsible for any errors or omissions in the data.



TO LIVE IN ACTON

ACTON COMMUNITY DEVELOPMENT PLAN

Community Opportunities Group, Inc.
Boston, Massachusetts

MAP E-2

JOURNEY TO WORK: WHERE ACTON RESIDENTS WORK

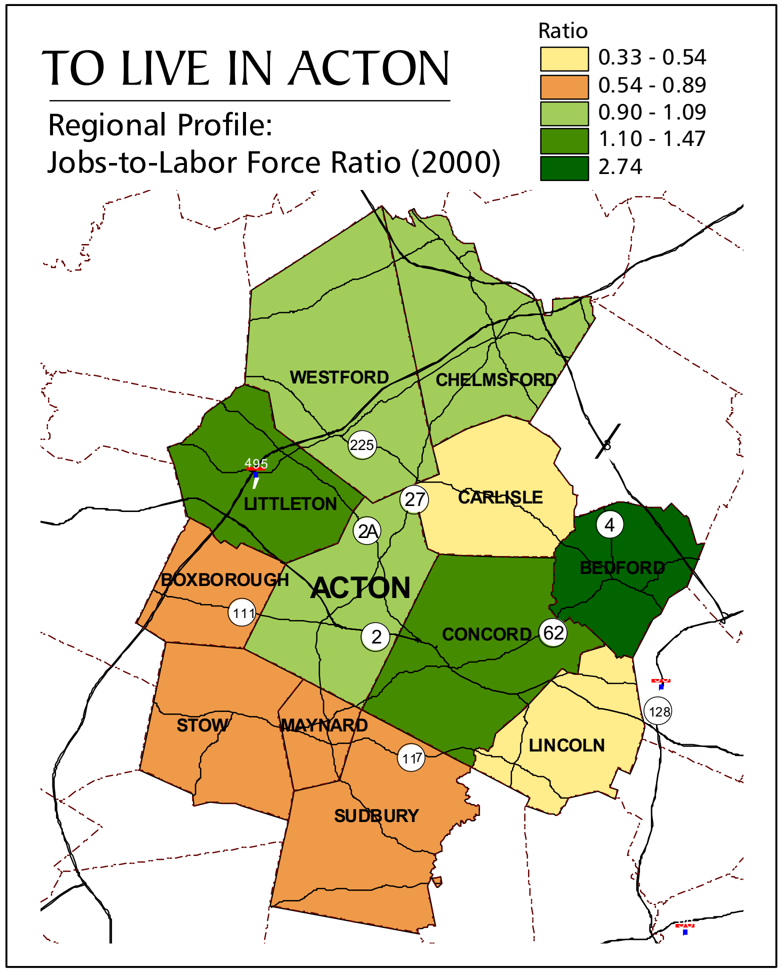
The employment characteristics of Acton's labor force differ from the characteristics of its employment base. For example, retail jobs make up a very large portion of total employment in Acton (see Table 2.6), but the percentage of residents working for retail establishments is somewhat low compared to the percentage of workers in retail across the state. Similarly, Acton's employment base offers very few jobs in finance and real estate, but the percentage of Acton residents working in these industries is close to the state average. Table 2.8 compares labor force employment by industry for all towns in Acton's region to the labor force percent of employment by industry statewide. Overall, the ratios indicate some significant differences between the industries that employ each town's residents and the industries that employ residents throughout the Commonwealth. Less than 30% of all residents in Acton's region actually work in the 12-town area, so there appears to be a substantial gap between intra-local employment opportunities and the qualifications and skills of the labor force.

Table 2.8: Comparison of Local Labor Force Employment to State Labor Force Employment

Town	Farming, Forestry, Fishing	Construction Trades	Manufacturing	Wholesale Trade	Retail Trade	Transportation, Warehousing, Utilities
ACTON	1.24	0.58	1.17	0.95	0.90	0.40
Bedford	0.24	0.73	1.24	0.53	0.83	0.58
Boxborough	1.11	0.25	1.48	1.08	0.82	0.46
Carlisle	2.47	0.68	1.18	0.96	0.64	0.31
Chelmsford	0.55	0.90	1.52	0.88	0.89	0.72
Concord	0.71	0.65	0.76	0.61	0.71	0.33
Lincoln	0.00	0.65	0.44	0.43	0.91	0.48
Littleton	3.13	1.15	1.43	1.14	0.79	0.51
Maynard	1.07	1.03	1.22	0.67	1.28	0.44
Stow	0.89	0.70	1.29	1.15	1.00	0.23
Sudbury	0.32	0.45	1.12	0.56	0.71	0.40
Westford	0.58	0.81	1.73	1.04	0.81	0.60
Town	Information, Data Management	Finance, Insurance, Real Estate	Professional Services	Education Services	Arts, Hospitality, Recreation	Other Services & Public Administration
ACTON	1.69	0.86	1.93	0.88	0.59	0.67
Bedford	1.54	0.75	2.07	0.84	0.62	0.77
Boxborough	1.76	0.77	1.93	0.75	0.69	0.79
Carlisle	3.03	0.94	2.11	0.75	0.37	0.54
Chelmsford	1.45	0.67	1.20	0.99	0.75	0.70
Concord	1.44	1.31	1.87	1.09	0.64	0.81
Lincoln	1.01	1.37	1.46	1.09	0.72	1.68
Littleton	0.88	0.80	1.53	0.76	0.74	1.04
Maynard	0.95	0.86	1.36	0.76	0.70	1.21
Stow	1.41	0.66	1.85	0.79	0.62	0.95
Sudbury	1.78	1.29	2.19	0.86	0.58	0.54
Westford	1.75	0.62	1.59	0.78	0.67	0.59

Source: Census 2000, Summary File 3 Table P-49. Statistics by author.

LABOR FORCE, EMPLOYMENT & HOUSING INDICATORS



In some circles, Acton would rate fairly well for indicators of a sustainable economy. By 2000, the jobs-to-housing ratio in Acton had reached an impressive 1.44, which means the town's employment base is large enough to import workers. However, Acton's jobs-to-labor-force ratio of .98 tells a different story. It indicates that Acton has more households than its employment base can support. While these ratios are often similar enough to construct a consistent economic picture – that is, both ratios either exceed or fall below 1.10 – the difference between them in Acton is noteworthy. Table 2.9 shows that the Census 2000 jobs-to-housing and jobs-to-labor force ratios vary throughout Acton's region, but they are most at odds in Acton, Boxborough, Maynard and Sudbury. In Acton's case, however, the ratios in Table 2.9 represent an improvement over 1990 conditions. The issue is whether the kind of job growth that occurred during the 1990s is sound and consistent with Acton's goals.

Table 2.9: Sustainability Indicators: Community Economic Development, 2000

Town	Employment (2000)	Housing Units (2000)	Jobs-to-Housing Ratio	Labor Force (2000)	Jobs-to-Labor Force Ratio
ACTON	11,091	7,680	1.44	11,353	0.98
Bedford	20,170	4,708	4.28	7,349	2.74
Boxborough	2,248	1,906	1.18	2,545	0.88
Carlisle	905	1,655	0.55	2,745	0.33
Chelmsford	22,801	13,025	1.75	21,583	1.06
Concord	12,944	6,153	2.10	8,828	1.47
Lincoln	1,875	2,911	0.64	3,443	0.54
Littleton	6,189	3,055	2.03	4,588	1.35
Maynard	4,962	4,406	1.13	6,039	0.82
Stow	2,211	2,128	1.04	3,450	0.64
Sudbury	6,491	5,590	1.16	9,014	0.72
Westford	11,484	6,941	1.65	12,230	0.94

Sources: DET, ES-202, LAUS; Census 2000, Summary File 1 Table H1, Summary File 3 Table P43.

The comparison-area towns absorbed total employment base growth of 8% between 1990-2000. In the same period, they experienced aggregate labor force growth of 9.3%. As a result, the jobs-to-labor force ratio for the 12-town area declined from 1.12 to 1.11, indicating a slight reduction in capacity to employ local residents and import workers from other towns. While Acton's employment base grew at a much faster rate (18%), the most substantial job growth occurred in Chelmsford and Westford. In contrast, Bedford, Sudbury and Maynard experienced sharp declines in local employment during the 1990s. Even though Sudbury's population increased by 17% over the past decade, the size of its labor force increased by only 9%. Local employment in Boxborough dropped marginally, but its labor force increased by more than 22% and its population, by more than 45%.

Much like the factors that differentiate their housing needs, these 12 communities do not have the same type of economic base or capacity to weather a weak economy. What is true for all 12 towns is that despite the number of jobs they offer, they export nearly 70% of their combined labor force to employment in other communities. Table 2.10 reports the cities and towns to which most Acton-area residents commute each day. The data help to explain the large percentage of each town's labor force that drives to work, for most of the communities listed in Table 2.10 are inaccessible or very difficult to reach by public transportation.

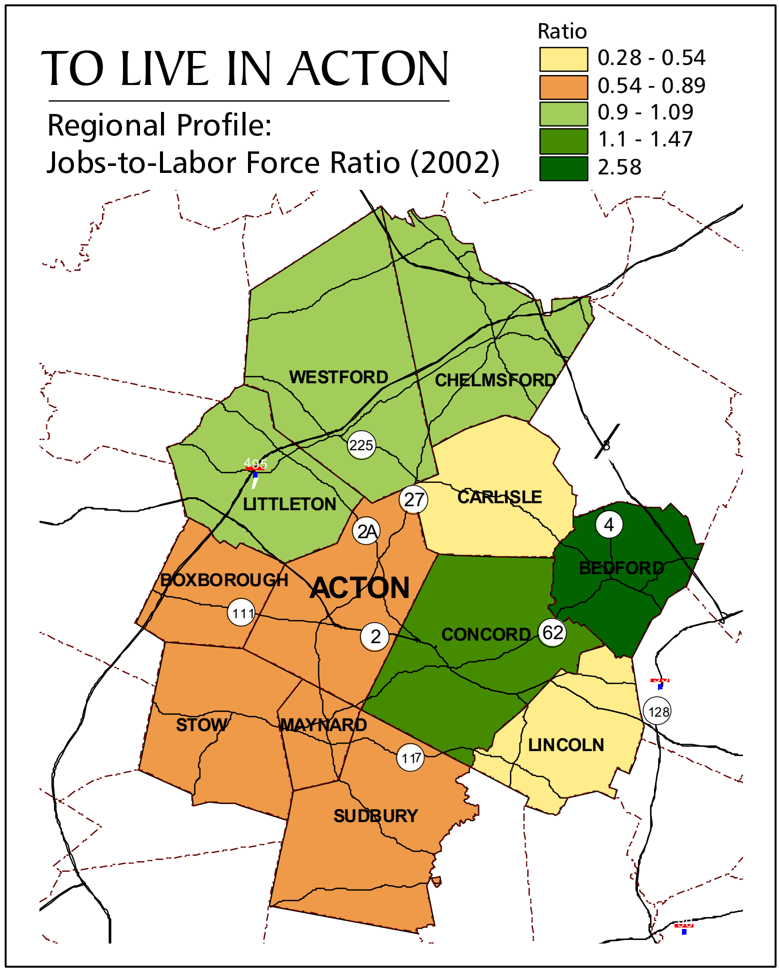
Table 2.10: Journey-to-Work Commute Destinations of Acton-Area Residents[43]

Destination	# Residents	Destination	# Residents	Destination	# Residents
Boston	6,965	Framingham	1,449	Watertown	488
Concord	5,545	Andover	1,432	Wellesley	468
Chelmsford	5,245	Woburn	1,135	Somerville	461
Bedford	4,979	Tewksbury	1,004	Tyngsborough	399
ACTON	4,373	Stow	995	Needham	383
Westford	3,766	Newton	969	North Andover	356
Cambridge	3,383	Nashua, N.H.	939	Wayland	349
Waltham	3,075	Lincoln	888	Weston	313
Lowell	2,834	Wilmington	829	Wakefield	303
Burlington	2,536	Carlisle	635	Everett	259
Lexington	2,455	Natick	610	Lawrence	258
Sudbury	2,164	Westborough	608	Methuen	249
Marlborough	1,846	Hudson	532	Groton	247
Billerica	1,836	Worcester	528	Dracut	222
Littleton	1,646	Boxborough	494	Haverhill	214
Maynard	1,618				

Source: Census 2000, MCD/County-to-MCD/County Worker Flow Files.

Not unlike the labor force ratio, the region's ratio of jobs to housing units declined from 1.77 to 1.72 between 1990-2000. Housing growth occurred at a faster rate (11.2%) than employment growth throughout the area, especially in Boxborough, Westford, Stow and Sudbury. In Acton, however, the rate of employment growth (18%) significantly exceeded the rate of housing growth (11.4%),

[43] Note to Table 2.10: Statistics limited to communities with 200 or more workers commuting from Acton and other comparison-area towns. The residents accounted for in Table 2.10 represent approximately 79% of the region's employed labor force as of 2000.



which explains the increase in its jobs-to-housing ratio from 1.36 in 1990 to 1.44 in 2000. Indeed, when Census 2000 occurred in April 2000, Acton's economy appeared to be approaching a state of harmony between the labor force, employment and housing. In fact, this was not the case.

According to economic data maintained by the state, Acton lost 11% of its employment base between 2000-2002. The snapshot of Acton's economy in Table 2.5 represents a two-year jobs and wages decline that coincides with the beginning of a decline in building permit activity during the last half of 2000. Most of the towns in Acton's area experienced some degree of job loss after 2000, culminating in a region-wide employment decline of -1.5% by the end of 2002. In the same period, the labor force in these communities increased by 7.4%. Acton's labor force growth of 8.1% (2000-2002) ranks third highest in the region – as does its percentage decrease in local employment.

A contracted economy affects employment not only in terms of total jobs, but also in each industry's contribution to aggregate wages. In Acton, this is most obvious in the information industries, which comprised 3.5% of all local establishments and 5.9% of all local employment in 2001, and paid 12.3% of all wages. By 2002, information establishments provided 3.6% of all local employment and only 6.6% of all wages. The loss of 259 jobs in these industries alone resulted in a reduction of $36.5 million in annual wages paid by Acton companies. Moreover, it indirectly contributed to a change in the percent share of retail jobs and wages.

In 2001, Acton retailers employed 1,680 people, or 16% of the town's employment base, and paid 8.3% of all wages. A year later, retail employment was slightly higher, but retail's share of the economy had increased disproportionately to 18% of all jobs and 11% of aggregate wages. The gross impact of retail growth on Acton's wage structure was a gain of only $6.2 million, which is small compared to the loss of $36.5 million paid to information workers. Acton manufacturers also shed about 355 jobs and $24.4 million in wages between 2001-2002. Overall, Acton lost 630 jobs and $83.8 million in wages between 2001-2002, or 6% of its employment base and 15.1% of aggregate wages: statistics that reinforce the impact of the recent economic downturn on higher-wage employment, especially in small companies. The greatest reductions occurred in the manufacturing, information, wholesale trade and professional service industries, all of which pay relatively high wages. These are the same industries that employ more than half of Acton's labor force, though mainly in other communities. In contrast, Acton's most recent job growth occurred in modest-wage employment such as retail, accommodations and food services, and educational, health care and social assistance: industries that employ less than one-third of the town's labor force.

SELF-EMPLOYMENT

A decade ago, self-employment contributed to the income of nearly 20% of all households in Acton. Across the 12-town area, households with self-employment income as a percentage of all households varied tremendously, from a low 13% in Littleton to a high of 34% in Carlisle. By 2000, the percentage of households with one or more self-employed family members had declined in every town except Stow, yet the average earnings from self-employment increased dramatically. In fact, the rate of growth in self-employment income more than doubled the rate of growth in median household income in four of the 12 towns. Table 2.11 summarizes the 10-year change in households with self-employment income in Acton and other nearby communities.

Table 2.11: Households with Self-Employment Income, 1990-2000

	Households		% Self-Employment		Average Self-Employment Income		
	1990	2000	1990	2000	1990	2000	% Change
ACTON	6,600	7,469	19.1%	17.3%	21,700	41,837	92.8%
Bedford	4,479	4,625	18.9%	16.5%	15,341	34,378	124.1%
Boxborough	1,363	1,867	24.1%	19.1%	15,757	34,792	120.8%
Carlisle	1,457	1,628	34.1%	26.4%	31,392	63,570	102.5%
Chelmsford	11,453	12,826	14.1%	12.5%	26,146	26,416	1.0%
Concord	5,693	5,957	26.0%	23.0%	33,414	54,698	63.7%
Lincoln	2,632	2,807	24.8%	21.0%	63,629	72,098	13.3%
Littleton	2,562	2,960	13.1%	12.7%	10,635	20,418	92.0%
Maynard	4,051	4,278	16.7%	13.1%	24,386	33,296	36.5%
Stow	1,793	2,089	18.0%	20.6%	23,461	28,855	23.0%
Sudbury	4,762	5,523	20.5%	20.1%	51,041	57,604	12.9%
Westford	5,316	6,836	16.6%	15.2%	18,566	51,850	179.3%

Source: Census 2000, Summary File 3 Tables P-60, P-69; 1990 Census, Summary File 3 Tables P0-91, P0-92, P0-99, P0-100.

Land Use & Economic Development Goals

By virtue of tradition and zoning policies, Acton and most of the surrounding towns are predominantly residential. About 10% of all 141,354 acres in the 12-town area are zoned for commercial and industrial uses. Most of the industrially zoned land is adjacent to major regional highways in Chelmsford, Westford, Littleton and Bedford, and with few exceptions, the commercial districts lie along the state roads that run through each town. Acton, which comprises 9.2% of the region's total area, has 19% of all land zoned primarily for commercial uses and about 7% of all land zoned primarily for industrial uses.

It is very difficult to compare towns on the basis of their zoning because subtle regulatory differences can make two seemingly equal zoning districts not at all alike. This is particularly true in Acton, which has complicated zoning regulations and many zoning districts. Over time, Acton has created 14 districts that are intended mainly for commercial or industrial development.[44] For example, the Zoning Bylaw provides for four village business districts that allow a mix of residential, commercial, personal service and small food service establishments by right, yet some of the districts allow multi-family housing by special permit while others do not. Acton also has two office districts that allow a limited mix of office, health care, manufacturing and warehouse uses by right, but some of the special permitted uses in one office district are prohibited in the other. In addition, there are three commercial business districts and five industrial districts, each with a somewhat different schedule of uses and a variety of conditions associated with uses that require a special permit. Each district also has unique dimensional rules; at times, the differences are as inconspicuous as a maximum height variation of four feet in the two Office Park Districts.

DEVELOPMENT ASSETS

The 1998 Master Plan estimates that under current zoning, Acton's nonresidential buildout capacity is 8.38 million ft^2, or nearly twice the amount of built space than exists in the commercial and industrial districts today. About one-third of Acton's unused nonresidential development capacity involves vacant, developable land. Like many maturely developed suburbs around Boston, Acton has more future buildout capacity on sites with existing development than on vacant parcels. Table 2.12 provides a summary-level profile of commercial and industrial land in Acton as of last year (FY 2003).

Table 2.12: Summary Characteristics of Commercial & Industrial Land in Acton

	Land[45]			Assessed Value		
Land Use	Parcels	Acres	Total Gross Floor Area	Building	Land	Total (Including Yard Value)
Commercial	281	578.33	3,020,048	$147,824,000	$111,240,422	$264,109,722
Industrial	45	228.99	1,280,375	$50,549,500	$29,982,500	$82,331,400
Vacant Commercial						
Developable	14	33.68		$0	$3,426,000	$3,434,600
Potentially Dev.	14	28.08		$0	$1,482,700	$1,484,700
Not Developable	38	54.27		$0	$984,500	$984,500
Vacant Industrial						
Developable	9	153.63		$193,600	$4,368,900	$5,278,500
Potentially Dev.	16	84.65		$0	$2,387,900	$2,387,900
Not Developable	25	30.59		$0	$450,600	$450,600

Source: Acton Assessor's Office, FY03 Valuation Data.

[44] For Zoning Map, see Appendix A.

[45] Land used for commercial condominiums is not included in the total acres reported in Table 2.12.

Acton's lack of vacant, usable commercial land is an important part of the buildout equation because redeveloping sites with existing improvements can be very expensive – sometimes prohibitively so. Zoning regulations that govern redevelopment sites must be acutely conscious of feasibility. In unfavorable market conditions, dimensional rules that effectively reduce the investment worth of commercial land may bring about unintended consequences, such as encouraging the conversion of small commercial properties to residential use or encouraging new residential construction. Towns with reserve nonresidential development capacity tend to assume that residential uses in a business district will eventually convert to commercial uses because until all of the vacant land is developed, reverse conversions are uncommon. However, they can and do occur. The Master Plan implicitly recognizes the potential for this outcome in Acton ED-15, "Prevent conversion/loss of commercial and industrial land to residential development."

ZONING POLICIES

The Acton Master Plan identifies several known or potential conflicts between the Zoning Bylaw and the town's economic development goals, but the issues are complicated and they warrant further review.

Floor Area Ratio

The Master Plan makes a cogent argument for increasing the maximum floor area ratio (FAR) in several of the town's commercial and industrial districts. The effect of these changes would be a revised nonresidential buildout estimate of 9.96 million ft^2, or an increase of about 1.88 million ft^2 over buildout under current zoning. Acton would help to advance its economic development goals by increasing the amount of development that can occur in established business areas, yet even the Master Plan's proposed FAR amendments are quite low. In particular, a maximum FAR of .20 for industrial development all but guarantees a significant reduction in the investment worth and taxable value of industrial land.

It is intriguing that Acton's zoning imposes a lower FAR on all four village districts than on general business zones such as Kelley's Corner or the Limited Business District along Route 2A. The maximum FAR in Acton's village districts ranges from .20-.40, although in some cases the FAR may be increased from .20 to .40 in exchange for mixed commercial and residential development, or to .70 by transferring development rights from another part of town. Acton's decision to offer FAR incentives to achieve sustainable land use makes sense. However, it is doubtful that .40 or .70 is high enough to accomplish that end. Furthermore, a target or average use intensity of .40 is low for a village. In the West Acton Village District, there are several properties with a floor area ratio of more than .70. At least two conditions apply to commercial properties with a moderately high FAR (by Acton standards): the buildings are older, and the taxable value per acre is much higher than the overall average for commercial development.

Other Dimensional Constraints

Acton's present FAR of .10 for development in the Light Industrial-1 District is *extremely* low. The FAR, coupled with a large minimum open space requirement of 50% and a maximum height cap of 40 feet, all seem to suggest that Acton wants to discourage industrial uses, yet clearly this is not the case. High-value industrial building design is often difficult to accommodate within a 40-foot height limit. Complying with it while meeting all other dimensional controls and minimum off-street parking requirements may effectively force a developer to create a low-rise building with a fairly large footprint on a parcel that exceeds the minimum lot area required by the Zoning Bylaw. The town could consider allowing a height increase by special permit in order to encourage more efficient use of land, or perhaps to encourage developers to provide some sub-grade parking. A height increase and a higher FAR will prove to be critical tools for industrial redevelopment.

Acton requires a minimum 75-foot front yard setback from Route 2A in the Limited Business District. Except as a device to further reduce development in this area, the basis for such a steep setback is not clear. It appears to encourage parking in front of buildings and exacerbates the image of a strip commercial zone without achieving commensurate public benefits. If the town wants to reduce the amount of commercial development along Route 2A (or in other parts of Acton), it would be better to change the zoning to a different slate of uses than to weaken the value of land by constraining what can be built there.

Zoning Complexity

According to the Master Plan, Acton has expressed interest in reducing the complexity of its Zoning Bylaw. Although the bylaw needs some updated definitions, consistency improvements and an index, it is a sophisticated, innovative code with qualitative standards that are not found in many suburban zoning bylaws. Developers usually do not object to complex regulations or performance standards; instead, they object to ambiguous rules, arbitrary decisions on the part of town boards, and submission requirements that have little if anything to do with the decision-making power of a permit granting authority. A clear permitting guide with design examples, available in print and on the town's web site, would help to make Acton's regulations more accessible to property owners and developers without sacrificing many of the thoughtful features of the Zoning Bylaw.

Residential Uses in Business Districts

Although it is nearly taboo in suburban communities to classify single-family homes as a prohibited use, the residential uses allowed in Acton's business districts seem contradictory to several goals of the Master Plan, the town's economic development and housing objectives, and the principles of Smart Growth. While it makes sense to include single-family residences in a village district, they make less sense in a conventional business zone. By encouraging single-family homes in commercial business areas, Acton increases the potential for land use conflicts and may make it far more difficult to develop the business districts to their full potential under zoning.

In addition, Acton's zoning regulations make it easy to develop single-family homes adjacent to businesses, yet the regulations subject conversions and multi-family housing to more onerous permitting requirements or simply prohibit these uses altogether. In fact, the town's economic development interests would be better served by encouraging more intensive residential development near business areas, mainly to facilitate pedestrian activity and increase trade without increasing vehicular traffic. The same land use policies can be used to promote affordable, elderly and disability housing units at a density that is realistic for developers. Increasing opportunities for multi-family housing around the villages and business areas would be consistent with Strategy LU9 of the Master Plan.

Fiscal Impact Analysis

The 1998 Economic Development recommends that Acton officials institute fiscal impact studies as part of the permitting process for commercial and industrial development. According to the Master Plan, the Board of Selectmen has followed through by incorporating a fiscal analysis model into the permitting procedures for Full Service Retirement Communities and Assisted Living Residence. Although requiring applicants to provide a fiscal impact study may seem useful, it is not clear how Acton officials would use the results other than to educate the public about the benefits of expanding the town's employment base. In states that allow local governments to assess impact fees, fiscal impact reports can and do have a role to play in development review and permitting. However, communities in Massachusetts do not have explicit statutory authority to impose impact fees. As a result, very few cities and towns maintain the data that are essential to implementing a consistent fiscal impact model. Furthermore, in states that allow impact fees it is generally the unit of local government that conducts a fiscal impact analysis, not the developer. If Acton wants to streamline and simplify the review and approval procedures for business development, it makes sense to eliminate submission requirements that have no substantive bearing on the town's permitting decisions.

Acton/EDIC

The Acton Master Plan (1998) and Economic Development Plan (1998) recommend many steps the town can take to strengthen and expand its economy. In an effort to implement Acton's Economic Development Plan (1998), town meeting approved a home rule petition three years ago to establish an Economic Development & Industrial Corporation (EDIC). Recently, the first Acton/EDIC Board of Directors was appointed by the town. It is a good time for Acton to review the home rule legislation and assure that the EDIC's charter provides enough authority for the organization to accomplish the town's economic development goals.

Acton's home rule petition, Chapter 135 of the Acts of 2001, is based on an early model of "special act" EDIC legislation that mirrors G.L. c.121C, the general law authority for cities and towns to establish an EDIC. Unfortunately, it does not incorporate provisions that appear in more recent EDIC special acts approved by the legislature. For example:

- Acton's EDIC legislation authorizes the town to finance Acton/EDIC projects with general revenue bonds outside the debt limit, but it appears to omit authority for the town to extend the temporary borrowing period under Section 17 of G.L. c.44. For multi-year projects in which the town is an investor, the ability to issue temporary notes with interest-only payments may be very important to the feasibility of a development and the willingness of taxpayers to participate in the future. The legislature has approved extended periods for temporary notes that support local EDIC projects.

- Chapter 135 does not exempt Acton/EDIC land dispositions from the requirements of G.L. c.30B, Section 16. Virtually all EDIC petitions approved by the legislature since the mid-1990s exempt these organizations from the real property acquisition and disposition procedures of Chapter 30B.

- The legislation requires town meeting to approve an economic development plan before the Acton/EDIC can undertake any development projects. Acton may want to preserve this for political or other reasons, but it is an extra hurdle for the EDIC and not necessarily one that benefits the town. An EDIC created pursuant to G.L. c.121C is subject to an economic development plan requirement that involves prior approval by the state, but a special act EDIC does not have to be bound by the same procedures. If an appropriate development opportunity surfaced in the next few months, the EDIC would appear to lack the power to respond until town meeting approved a specific economic development plan.

  Acton could replace the existing definition of "economic development plan" with broader language, such as any project that is consistent with Acton's master plan or other plans approved by the Planning Board. An EDIC project would have to comply with Acton's zoning and receive approvals prior to construction, so eliminating a town meeting-approved economic development plan does not liberate the EDIC from local control.

- Section 2 of Chapter 135 explicitly confines the Acton/EDIC's purview to commercial and industrial projects. There is no authority for the Acton/EDIC to engage in residential development, either stand-alone or as part of a mixed-use commercial project. Although Section 11 confers authority for the Acton/EDIC to engage in urban renewal and low-income rental housing development, the general law referred to in Chapter 135 effectively limits the Acton/EDIC to rental housing that would normally be built and managed by a housing authority. There are easier ways to develop affordable housing, and residential uses may be essential to the feasibility of an Acton/EDIC commercial project.

- Chapter 135 authorizes Acton to issue "outside debt" bonds to support an EDIC project, but it requires the bonds to be repaid within 20 years. There are many reasons that the town may prefer to use its investment power to control a project for more than 20 years, but the 20-year repayment period makes it more difficult. A 40-year repayment period would not be out of line for a real estate development project.

The Acton/EDIC could be a vehicle for investing or reinvesting in difficult-to-develop sites and meeting a wide variety of community economic development needs. Its current charter does not make it impossible for the Acton/EDIC to function, but the legislation does limit the group's ability to respond to real estate opportunities. The purpose of an EDIC is to establish and build local development capacity. Acton will want to consider whether Chapter 135 accomplishes all that it could to help the town achieve its economic development goals. The more diverse the Acton/EDIC's options, the more likely it is that the organization will succeed.

Recommendations

1) Recognize that economic development and housing affordability are mutually dependent public policy issues. Acton has zoned a substantial amount of land for commercial development and over time, the town has cultivated a large base of retail establishments. Most people who work

in Acton each day do not live in town, which partially reflects the lower-wage makeup of Acton's employment base. It is in Acton's long-term economic development interests to increase housing access for those who work for local business establishments.

2) Continue to implement the land use and economic development recommendations of the Acton Master Plan (1998). Focus on the following strategies:

   a) Revisit the maximum FAR for development in the village districts, Limited Business and the Industrial Districts.

   b) Consider opportunities to consolidate zoning districts where it makes sense to do so, e.g., Light Industrial and Light Industrial-1, and OP-1/OP-2.

   c) Consider allowing an increase in height in the industrial districts, by special permit from the Planning Board.

3) Make public realm improvements in the Village Districts a consistent feature of Acton's capital plan, even if only in modest amounts per year.

4) Consider seeking home rule authority to establish a differential real estate tax policy in order to encourage and retain start-up ventures, microbusiness "incubators" and microbusiness cooperatives in Acton. A graduated tax increase could be very effective at making Acton desirable to start-up companies and entrepreneurs by reducing their operating costs for three to five years.

5) Petition the legislature to amend Chapter 135 of the Acts of 2001 as follows:

   a) Expand the Acton/EDIC's potential repertoire of projects to include residential and residential/commercial mixed-use development.

   b) Delete the requirement for a town meeting-authorized economic development plan and incorporate the Acton Master Plan and Economic Development Plan by reference.

   c) Establish a "gateway" function for the Board of Selectmen to review and authorize proposed Acton/EDIC projects in order to assure reasonable checks and balances and to institutionalize a partnership relationship between the town and the Acton/EDIC.

   d) Exempt the Acton/EDIC from G.L. 30B, Section 16.

   e) Extend the period that Acton may roll over temporary notes issued for Acton/EDIC projects.

   f) Extend the maximum repayment period for long-term debt to 40 years.

   g) Qualify the Acton/EDIC as a community-based development organization that can receive and expend federal housing and redevelopment funds on the town's behalf.

6) Seek resources to provide organizational development training and project management support to the Board of Directors of the Acton/EDIC.

APPENDIX

APPENDIX

Appendix A: E.O. 418 Requirements

- Community Development Narrative
- Buildout Study (Methodology from 1998 Master Plan)
- Public Meetings
  - Community Conversation Summaries
  - Presentation Materials

Appendix B: E.O. 418 Maps

- Water Resources
- Wildlife Habitat
- Existing Land Use & Open Space
- Land Suitability
- Housing Map
- Economic Development Map
- Putting It All Together

Community Development Narrative

LAND USE

Goal: Preserve those elements or features that contribute to Acton's New England town character as a suburban residential community with strong rural and historic roots.

Objective: Strengthen Acton's traditional pattern of village centers.

Objective: Maintain Acton's rural and historic elements.

Objective: Provide incentives and aid to preserve and revitalize historic structures and places.

Objective: Preserve natural and human-made features that contribute to Acton's character such as open fields, woodlands, ponds, country roads, and stone walls.

Objective: Promote a sense of community.

Goal: Direct new residential development to protect Acton's natural environment and other resources, to be consistent with Acton's New England town character, and to encourage diversity in Acton's population.

Objective: Encourage new residential development to preserve open space.

Objective: Promote residential village environments that are consistent with Acton's character.

Objective: Encourage a variety of neighborhood design alternatives for residential development.

Objective: Promote pedestrian circulation within and between residential developments.

Objective: Adjust the intensity of residential development to protect Acton's environmental resources and to remain within the limitations of its infrastructure.

HOUSING

Goal: Encourage diversity in Acton's population by achieving a mix of homes that enhances Acton's town character and provides needed choices for our residents.

Objective: Preserve the character of Acton's established residential neighborhoods.

Objective: Promote a range of economic diversity in housing including low and moderate income housing.

Objective: Promote a range of choice in the types of homes to allow for residents' changing capacities and preferences.

ECONOMIC DEVELOPMENT

Goal: Promote current and new commercial development within the context of the Master Plan by strengthening the tax base to reduce the tax burden on residential taxpayers.

Objective: Support commercial and industrial growth that will fit in Acton and contribute to the community's quality of life and fiscal stability.

- Encourage commercial and industrial development
- Attract new businesses
- Increase the diversity of commercial enterprise
- Increase Commercial, Industrial and Personal Property (C/I/P) revenues share to 20% within the next 5 years

Objective: Support the concept of village and business districts by encouraging businesses of appropriate scale that will contribute to a mix of activities.

NATURAL, CULTURAL AND HISTORIC RESOURCES

Goal: Protect and sustain Acton's natural environment and resources.

Objective: Strictly enforce federal, state and local environmental laws, and supplement them with additional Town regulations if necessary.

Objective: Ensure the restoration of polluted environmental resources.